

AMENDED IN SENATE APRIL 4, 2011

AMENDED IN SENATE MARCH 22, 2011

SENATE BILL

No. 911

Introduced by Senator De León

February 18, 2011

An act to amend Section 53411 of, *and to add Section 53411.5 to*, the Government Code, relating to local agency finance.

LEGISLATIVE COUNSEL'S DIGEST

SB 911, as amended, De León. Local agency bonds: report.

Existing law requires the chief fiscal officer of a local agency issuing bonds to file an annual report with the governing body of the local agency with respect to the amount of funds collected and expended generally, and the status of any project required or authorized to be funded from the proceeds of the bonds.

This bill would additionally require the report to include a bond fund transparency component, to include specified information for each expenditure of bond proceeds. It would require this information to also be posted on the agency's Internet Web site.

This bill would also require each issuing agency to develop and implement a bond issuance ethics policy, to include specified components, no later than January 1, 2013.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. It is the intent of the Legislature in enacting this
- 2 measure to provide greater transparency and accountability in the

1 bond financing process, so the public can readily review how the
2 proceeds of taxpayer-authorized bonds are spent.

3 SEC. 2. Section 53411 of the Government Code is amended
4 to read:

5 53411. The chief fiscal officer of the issuing local agency shall
6 file a report with its governing body no later than January 1, 2002,
7 and at least once a year thereafter. The annual report shall contain
8 all of the following:

9 (a) The amount of funds collected and expended.

10 (b) The status of any project required or authorized to be funded
11 as identified in subdivision (a) of Section 53410.

12 (c) (1) A bond fund transparency component, including all of
13 the following information for each expenditure of bond proceeds:

14 (A) The name and principal location of each recipient of funds.

15 (B) The amount of the expenditure.

16 (C) The type of transaction.

17 (D) The identity of the local agency or authorized entity making
18 the expenditure.

19 (E) The funding source for the expenditure.

20 (F) A brief description of any item or service purchased pursuant
21 to the expenditure.

22 (2) This information shall also be posted on the agency's Internet
23 Web site in a format accessible to the public.

24 (3) This subdivision shall not be construed to require the
25 disclosure of information deemed confidential or otherwise exempt
26 from disclosure under state or federal law.

27 SEC. 3. Section 53411.5 is added to the Government Code, to
28 read:

29 53411.5. (a) *Each issuing agency shall develop and implement*
30 *a bond issuance ethics policy, to do at least both of the following:*

31 (1) *Address conflict of interest rules.*

32 (2) *Provide for a process for ethics complaints and violations*
33 *to be reported and rules to be enforced.*

34 (b) *The ethics policy shall be posted on the agency's Internet*
35 *Web site.*

36 (c) (1) *The ethics policy shall be implemented no later than*
37 *January 1, 2013.*

- 1 (2) *The proceeds of bonds approved after January 1, 2012 may*
2 *not be expended until the ethics policy has been implemented.*

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